

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1167

Introduced by Assembly Member Chu

February 22, 2005

An act ~~relating to taxation~~ to add Section 33333.15 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1167, as amended, Chu. ~~Franchise Tax Board: administration income taxes: guidelines~~ Redevelopment: El Monte.

Existing law requires a redevelopment plan to contain a time limit, not to exceed 30 years from the adoption of the plan, on the effectiveness of the plan, after which a redevelopment agency has no authority to act pursuant to the plan except to pay previously incurred indebtedness and to enforce existing covenant or contracts, unless the agency has not completed its affordable housing obligations in which case the agency retains its authority in that regard. Existing law requires a redevelopment plan adopted on or before December 31, 1993, to terminate not more than 40 years from the adoption of the plan or January 1, 2009, whichever is later and authorizes the amendment of that plan to extend this time limit for up to 10 additional years.

This bill would authorize the City of El Monte and the El Monte Community Redevelopment Agency to amend, on or after July 1, 2007, the Redevelopment Plan for the Downtown El Monte Redevelopment Project to allow it to carry out one or more transit oriented redevelopment projects and, with regard to those projects, to eliminate the time limit on the establishment of loans, advances, and indebtedness that can be outstanding at any one time, increase the

amount of bonded indebtedness that may be outstanding at any one time, or extend the time limit on the effectiveness of that redevelopment plan for up to an additional 10 years, as specified. The bill would define a “transit oriented redevelopment project” in terms of its geographical location and other requirements.

The bill would modify the payments to be made by the El Monte Community Redevelopment Agency to taxing entities that are required to be made after a redevelopment agency adopts an amendment for its redevelopment plan. The bill would require the El Monte Community Redevelopment Agency to deposit at least 30% of its tax increment revenues into its Low and Moderate Income Housing Fund. The bill would require the El Monte Community Redevelopment Agency to comply with specified existing procedures in order to adopt an amendment pursuant to this act.

~~The Franchise Tax Board administers the taxes imposed under the Personal Income Tax Law and the Corporation Tax Law.~~

~~This bill would state the Legislature’s intent to require the Franchise Tax Board to develop guidelines and to adopt regulations that will guide and assist tax advisors and tax practitioners in a manner that ensures that they are in full compliance with California’s income tax laws.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 33333.15 is added to the Health and
2 Safety Code, to read:
3 33333.15. (a) Notwithstanding any other provision, on or
4 after July 1, 2007, the City of El Monte and the El Monte
5 Community Redevelopment Agency may amend, in the manner
6 provided pursuant to subdivision (g), the Redevelopment Plan for
7 the Downtown El Monte Redevelopment Project to carry out one
8 or more transit oriented redevelopment projects. An amendment
9 made pursuant to this section shall do one or more of the
10 following with regard to a transit oriented development project:
11 (1) Eliminate the time limit on the establishment of loans,
12 advances, and indebtedness that can be outstanding at any one
13 time.

1 (2) Increase to sixty-five million dollars (\$65,000,000) the
2 amount of bonded indebtedness that the El Monte Community
3 Redevelopment Agency may have outstanding at any one time
4 with respect to one or more transit oriented redevelopment
5 projects.

6 (3) Extend the time limit on the effectiveness of the
7 Redevelopment Plan for the Downtown El Monte Redevelopment
8 Project with respect to the amendment made pursuant to this
9 section for up to an additional 10 years beyond the limit allowed
10 by subdivision (a) of Section 33333.6.

11 (b) As used in this section, “transit oriented redevelopment
12 project” means a redevelopment project that is undertaken
13 pursuant to one or more written agreements, each of which
14 satisfies all of the following conditions:

15 (1) Affects all or a portion of the land situated in the
16 redevelopment project area of the Downtown El Monte
17 Redevelopment Project within an area bounded as follows: the
18 southerly right-of-way line of the Interstate 10 Freeway on the
19 south, the westerly line of the Rio Hondo Channel on the west,
20 the easterly right-of-way line of Santa Anita Avenue on the east
21 and the northerly right-of-way line of Valley Boulevard on the
22 north.

23 (2) Affects all or a portion of the lands described in paragraph
24 (1), or improvements to those lands, and as of July 1, 2005, the
25 state, the Metropolitan Transportation Authority, the City of El
26 Monte, or the El Monte Community Redevelopment Agency
27 either owns those lands and improvements in fee or holds them
28 as lessor or lessee.

29 (3) Provides for the planning, design, construction, or
30 financing of either of the following:

31 (A) Public infrastructure improvements, including public mass
32 transit commuter rail facilities and the relocation of existing
33 public mass transit facilities and other publicly owned
34 improvements from any portion of the lands described in
35 paragraph (1).

36 (B) Private development activity to be undertaken by one or
37 more nonpublic agency parties pursuant to an agreement with
38 either the City of El Monte or the El Monte Community
39 Redevelopment Agency on any portion of the lands described in
40 paragraph (1).

1 (4) Declares that the legislative body of the City of El Monte
2 made a finding that the public infrastructure improvements or
3 private development activity meets one of the following
4 requirements:

5 (A) Affects not less than five acres and, as of the date of the
6 finding, is consistent with a specific plan adopted by the City of
7 El Monte pursuant to Article 8 (commencing with Section 65450)
8 of Chapter 3 of Division 1 of Title 7 of the Government Code.

9 (B) Is to be located within an infill opportunity zone
10 established by the City of El Monte upon all or a portion of those
11 lands in accordance with subdivision (c) of Section 65088.4 of
12 the Government Code.

13 (C) Is to be located in transit village development district
14 established by the City of El Monte in accordance with Section
15 65460.7 of the Government Code.

16 (5) One of the parties to the agreement is either the City of El
17 Monte or the El Monte Community Redevelopment Agency.

18 (6) Contains a reference to this section.

19 (c) (1) If the El Monte Community Redevelopment Agency
20 adopts an amendment pursuant to this section, the El Monte
21 Community Redevelopment Agency shall, in lieu of making the
22 payments under the provisions of Section 33607.7, pay to each
23 affected taxing entity certain tax increment amounts calculated
24 against the amount of assessed value by which the current year
25 assessed value for the transit oriented redevelopment project
26 lands exceeds an adjusted base year assessed value for the
27 transit oriented redevelopment project lands as would otherwise
28 be required pursuant to subdivisions (b), (c), (d), and (e) of
29 Section 33607.5, until termination of the Redevelopment Plan for
30 the Downtown El Monte Redevelopment Project. The amounts
31 under this section shall be allocated between property taxes and
32 educational facilities according to the appropriate formula in
33 paragraph (3) of subdivision (a) of Section 33607.5. In
34 determining the applicable amount under Section 33607.5, the
35 first fiscal year shall be the first fiscal year following the fiscal
36 year in which the adjusted base year assessed value for the
37 transit oriented redevelopment project lands is determined.

38 (2) The payments described in paragraph (1) shall be made to
39 the affected taxing agencies each fiscal year following the date of
40 an amendment made pursuant to this section on a subordinate

1 basis after payments of principal and interest are made on any
2 bonded indebtedness incurred by the El Monte Community
3 Redevelopment Agency for transit oriented redevelopment
4 projects are made.

5 (d) The adjusted base year assessed value for the transit
6 oriented redevelopment project lands shall be the assessed value
7 of the portion of the redevelopment project area of the
8 Downtown El Monte Redevelopment Project in which the transit
9 oriented redevelopment project lands are situated in the year in
10 which the limitation being amended by this section would have
11 taken effect without the amendment or, if more than one
12 limitation is being amended, the first year in which one or more
13 of the limitations would have taken effect without the amendment.
14 The El Monte Community Redevelopment Agency shall
15 commence making the payments described in subdivision (c)
16 from tax increments, if any, produced from the transit oriented
17 redevelopment project lands in the first fiscal year following the
18 fiscal year in which the adjusted base year assessed value for
19 these lands is determined.

20 (e) After the limits on the payment of indebtedness and receipt
21 of property taxes that would have taken effect for the Downtown
22 El Monte Redevelopment Project but for an amendment pursuant
23 to this section have occurred, the El Monte Community
24 Redevelopment Agency shall spend tax increment funds from the
25 transit oriented development lands described in subdivision (b)
26 only to pay indebtedness incurred by the El Monte Community
27 Redevelopment Agency for transit oriented development projects
28 described in subdivision (b). The El Monte Community
29 Redevelopment Agency may continue after the date that the limits
30 on the payment of indebtedness and receipt of property taxes
31 would have taken effect for the Downtown El Monte
32 Redevelopment Project, but for an amendment pursuant to this
33 section have occurred, to spend funds deposited in the Low and
34 Moderate Income Housing Fund for the Downtown El Monte
35 Redevelopment Project in accordance with this division without
36 regard to the limitations on these expenditures otherwise
37 imposed under subdivisions (f) and (g) of Section 33333.10 for
38 an amendment enacted pursuant to Section 33333.10.

39 (f) Beginning with the first fiscal year that commences after
40 the date of adoption of an amendment to the Redevelopment Plan

1 *for the Downtown El Monte Redevelopment Project pursuant to*
2 *this section, not less than 30 percent of all taxes that are*
3 *allocated to the El Monte Community Redevelopment Agency*
4 *pursuant to Section 33670 from the transit oriented*
5 *redevelopment project lands shall be deposited into the Low and*
6 *Moderate Income Housing Fund for the Downtown El Monte*
7 *Redevelopment Project.*

8 *(g) In order to adopt an amendment pursuant to this section,*
9 *the El Monte Community Redevelopment Agency shall comply*
10 *with the procedures of subdivisions (b) to (j), inclusive, of*
11 *Section 33333.11.*

12 ~~SECTION 1. It is the intent of the Legislature to require the~~
13 ~~Franchise Tax Board to develop guidelines and adopt regulations~~
14 ~~that will guide and assist tax advisors and tax practitioners in a~~
15 ~~manner that ensures that they are in full compliance with~~
16 ~~California's income tax laws.~~